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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2010

Certified Return Receipt
7003 2260 0002 0247 9246

Gary Harris
422 North 350 East
P.O. Box 543
Delta, Utah 84624

Subject: Deficient Reclamation Surety, Gary Harris, State ML 43395 - Fossils, S/027/0011, Millard County, Utah

Dear Mr. Harris:

The Division of Oil, Gas and Mining has reviewed the reclamation surety for the State ML 43395 - Fossils quarry. The surety was originally approved November 29, 2006, and it was due for review on November 29, 2009.

Your current reclamation surety is \$12,000, which the Division is holding in the form of a certificate of deposit. The Division has recalculated the surety based on your permitted area of five acres to be:

\$24,600 escalated for 3 years (surety amount next reviewed in 2013) OR
\$25,200 escalated for 5 years (surety amount next reviewed in 2015)

Please note that there are ways of reducing the required amount as discussed below.

The Division uses standard per-acre costs to determine surety amounts for small mines. The figures used are shown in the following table:

Project Size (Acres)	Surety 3 & 5 year escalation	Comments
1 or less acres	\$7,400 (3-year escalation) \$7,600 (5-year escalation)	Minimum amount required
Additional acres up to 5 acres	\$4,300/ acre (3-year escalation) \$4,400/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 5- acres	(i.e. Maximum of 5 acres = \$7,400 +\$17,200 = \$24,600) (3-year escalation) (i.e. Maximum of 5 acres = \$7,600 +\$17,600 = \$25,200) (5- year escalation)	\$600.00 difference between 3 and 5 year escalation amount for 5-acres of disturbance.



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Based on the information in the NOI, the Division has determined that you must post additional surety in the amount of:

\$12,600 for 3-year escalation OR
\$13,200 for 5-year escalation

Please note that the figures shown above are based on the *permitted acreage*. The Division inspected the site in 2005 and found the disturbed area to be about three acres. If this is still the current situation, the amount of surety required could be reduced if you were to amend the Notice of Intention to Commence Small Mining Operations (NOI) to show three acres of disturbance.

If you decide to amend the NOI, please submit the amendment no later than April 1, 2010. In this case, the additional surety required would be \$4000 for a three-year escalation or \$4400 for a five-year escalation. Whether or not you choose to amend the NOI, the additional surety (\$4000.00 or \$4400.00 for three acre or \$12,600.00 or \$13,200.00 for five acres) needs to be filed with the Division by April 1, 2010.

Please contact surety coordinator, Penny Berry, 801-538-5291, for instructions on how to submit this increased surety. She can be reached at 801-538-5291 or by e mail at bondcoordinator@utah.gov. If you have other questions or concerns regarding this letter, please contact me at 801-538-5261 or John Rogers at 801-538-5349.

Sincerely,



Paul Baker
Minerals Program Manager

PBB:jr:pb

cc: wstokes@utah.gov

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